sibly in being." The plaintiff was then a third party and to him the agent was a de facto officer of the corporation. *Sherwood* v. *Wallin,* 154 Cal. 735; *Scanlan* v. *Snow,* 2 App. D. C. 137; *Mechanics' National Bank* v. *H. C. Burnett Mfg. Co.,* 32 N. J. Eq. 236; *State ex rel Bornefeld* v. *Kupferle,* 44 Mo. 154; *Brown* v. *Crown Gold Milling Co.,* 150 Cal. 376, 89 Pac. 86; *Umatilla Water Users' Ass'n.* v. *Irvin,* 56 Ore. 414, 108 Pac. 1016; *Lewis* v. *Matthews,* 146 N. Y. Supp. 424; but see contra *Exline-Reimers Co.* v. *Lone Star Insurance Co.* (Tex. 1914), 171 S. W. 1060. Moreover the corporation, having profited extensively from the unregistered activities of Brown as their agent, and having consistently held him out as such, is estopped from alleging the illegality of his appointment in collateral proceedings. *Walker* v. *Detroit Transit Railway,* 47 Mich. 338; *Flynn* v. *Des Moines & St. Louis Ry. Co.,* 63 Ia. 490; *A. T. & G. R. Co.* v. *Kittel,* 52 Fed. 63; *Merchants' National Bank* v. *Citizens' Gas Light Co.,* 159 Mass. 505. For excellent short discussions of the subject see *Umatilla Water Users' Ass'n* v. *Irvin,* supra, and 16 COL. L. REV. 405.

CORPORATIONS—RIGHT OF SOLE SHAREHOLDER TO COME IN ON PARITY WITH GENERAL CREDITORS.—Plaintiffs were the sole shareholders in the insolvent corporation, and the partnership of which the plaintiffs were the only members had operated as the exclusive selling agency of the products of the corporation, on a profit-sharing agreement. Nevertheless there was no concealment of the existent relations, and there was no identity between the three. *Held,* in suit in equity to wind up the corporation, that claims of the plaintiffs, based on notes given for money advanced, and partly secured by collateral, should come in on an equality with the claims of general creditors. *Peckett et al* v. *Wood et al,* (C. C. A. 1916), 234 Fed. 833.

This case is a peculiar one when analyzed on the facts. The controversy has been heretofore as to whether directors, other officers or shareholders had the right to prefer their own claims, based on money advanced to keep the now insolvent corporation running, to those of the general creditors. The weight of authority seems to be against allowing such preferences, but there is a strong line of authority to the contrary, and in a number of states statutes have been passed to forbid them. See CLARK & MARSHALL, §§ 787-788, and COOK, § 692 and cases cited therein. For recent case under statute see *Pennsylvania R. Co.* v. *Peddrick et al* (D. C. 1916), 234 Fed. 781. But in the present case the general creditors do not merely seek to preserve their claims on a parity with those of the shareholders; they endeavor to have their own claims preferred. They make no showing of fraud, or that they relied on the peculiar relationship of the shareholders, their partnership, and the corporation, or that there was any actual identity between the corporation and its sole shareholders. Their claim seems to rest on the bare fact that the plaintiffs were *sole* shareholders. The case, we believe, is unique, and marks the highwater point in the reaction against the allowance of preferences of the claims of officers and shareholders.